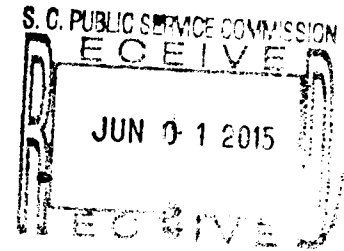




256816

Laura Bateman
Carolinas Rates & Regulatory Strategy
410 S. Wilmington Street
Raleigh, NC 27601
919.546.3324
Laura.Bateman@duke-energy.com

May 29, 2015



Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, SC 29211

Dear Mrs. Boyd:

Enclosed per Docket No. 1988-11-E is the quarterly report of Duke Energy Progress, LLC for the twelve months ending March 31, 2015. Debt coverage ratio of earnings to Fixed Charges was 3.51 for this time period.

Please note, the adjustments to the capital structure have been eliminated. These adjustments are no longer relevant to the report.

The Certification by Clark S. Gillespy, State President, Duke Energy South Carolina, will be sent separately from our Greenville office.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

Enclosures

pc: Mr. John Flitter, Director
Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Progress, Inc., as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles
Signature of Person Making Verification

James D. Wiles
Typed or Printed Name of Person Signing

Director Regulated Accounting
Title

May 19, 2015
Date Signed

Subscribed and sworn to before me this 19 day of May, 2015.

Kim V. Beal
Notary Public

My Commission Expires: October 24, 2019



Duke Energy Progress
Electric Operating Experience - Total Company & SC Retail
 12 Months Ended March 31, 2015
 Dollars in Thousands

Line No.	Description (Col. 1)	Total Company			SC Retail		
		Regulatory Per Books (Col. 2)	Pro-Forma Adjustments (Col. 3)	As Adjusted (Col. 4)	Regulatory Per Books (Col. 5)	Pro-Forma Adjustments (Col. 6)	As Adjusted (Col. 7)
		\$	\$	\$	\$	\$	\$
1	Operating Revenues	\$ 5,194,430	\$ (118,924)	\$ 5,075,505	\$ 579,197	\$ (21,192)	\$ 558,005
2	Operating Expenses						
3	O&M Expenses - Fuel	1,612,317	-	1,612,317	189,186	-	189,186
4	Purchased Power and Net Interchange	425,967	-	425,967	47,846	-	47,846
5	Wages, Benefits, Materials, etc.	1,459,163	166,488	1,392,675	146,963	(9,868)	137,095
6	Depreciation & Amortization Expenses	568,067	80,470	648,537	57,832	8,315	66,147
7	Taxes Other Than Income	136,425	1,137	137,562	15,207	(1,791)	15,028
8	Income Taxes	290,305	(46,914)	243,391	36,437	(6,751)	29,686
9	Investment Tax Credit	(16,722)	-	(16,722)	(17,521)	-	(17,521)
10	Total Operating Expenses (Sum L3 through L9)	\$ 4,485,520	\$ (31,804)	\$ 4,453,715	\$ 497,719	\$ (8,483)	\$ 489,237
11	Operating Return (L1 - L10)	\$ 708,910	\$ (87,120)	\$ 621,790	\$ 86,478	\$ (11,710)	\$ 74,768
12	Customer Growth	4,778	(587)	4,191	181	(27)	155
13	Interest on Customer Deposits (Before Taxes)	9,657	-	9,657	604	-	604
14	Total Income for Return (L11 + L12 + L13)	\$ 705,032	\$ (87,707)	\$ 617,325	\$ 86,055	\$ (11,736)	\$ 74,318
15	Rate Base						
16	Plant in Service	\$ 20,751,226	\$ 177,874	\$ 20,931,100	\$ 2,352,788	\$ 14,405	\$ 2,367,193
17	Reserve for Depreciation	(9,549,824)	(15,757)	(9,565,581)	(1,108,595)	561	(1,108,033)
18	Net Plant (L16 + L17)	\$ 11,201,402	\$ 172,117	\$ 11,375,519	\$ 1,244,194	\$ 14,967	\$ 1,259,160
19	Construction Work in Progress						
20	Other Rate Base	499,969	558,199	558,199	-	64,247	64,247
21	Total Working Capital	316,610	(395,867)	104,101	98,868	(49,999)	48,867
22	Materials & Supplies	1,561,170	(11,402)	1,549,769	32,168	-	32,168
23	Accumulated Deferred Income Taxes	(2,949,862)	375,484	(2,624,378)	(312,639)	(1,269)	(313,908)
24	Total Rate Base (L18+L19+L20+L21+L22+L23)	\$ 10,631,289	\$ 648,531	\$ 11,279,820	\$ 1,211,965	\$ 68,045	\$ 1,280,011
25	Rate of Return (L14 divided by L24)			5.47%	7.10%		5.73%
26	Return on Equity			6.62%	9.74%		7.11%

Duke Energy Progress
Electric Accounting & Pro Forma Adjustments - Total Company
 12 Months Ended March 31, 2015
 Dollars in Thousands

Adj. No.	Description	Revenues	O&M Expenses Fuel	O&M Expenses Purch. Power	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Investment Tax Credit	Income Taxes @	Operating Income
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ 8,611	\$ -	\$ -	\$ -	\$ -	\$ (3,294)	\$ (5,317)
2	Update for increased/decreased benefits costs	-	-	-	1,587	-	-	-	-	(607)	(980)
3	Annualize depreciation on year end plant balances	-	-	-	-	40,010	-	-	-	(15,304)	(24,706)
4	Adjust the amount of EPIS in rate base	-	-	-	-	9,177	-	-	-	(3,510)	(5,667)
5	Adjust the Amount of CWIP in Rate Base	-	-	-	-	-	-	-	-	-	-
6	Annualize property taxes on year end plant balances	-	-	-	-	-	2,087	-	-	(798)	(1,289)
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-	3,543	(1,543)
8	Eliminate SFAS 109	-	-	-	-	-	-	-	-	-	-
9	Adjust Fuel Stock	-	-	-	-	-	-	-	-	-	-
10	Eliminate DSM, EE, DSDR impacts	(105,583)	-	-	(76,686)	31,283	(950)	-	-	(23,254)	(75,976)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-	1,403	(1,403)
12	Eliminate Program Performance Incentives	(13,341)	-	-	-	-	-	-	-	(5,103)	(8,238)
13	TOTAL - ALL PRO FORMAS	\$ (118,924)	\$ -	\$ -	\$ (66,488)	\$ (80,470)	\$ 1,137	\$ -	\$ -	\$ (46,924)	\$ (87,120)
Adj. No.	Description	Plant in Service	Accum. Deprec.	CWIP	Other Rate Base	Total Working Capital	Materials & Supplies	ADIT	Rate Base		
1	Normalize O&M Labor Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2	Update for increased/decreased benefits costs	-	-	-	-	-	-	-	-		
3	Annualize depreciation on year end plant balances	-	(40,010)	-	-	-	-	-	(40,010)		
4	Adjust the amount of EPIS in rate base	393,789	(9,177)	-	-	-	-	-	384,612		
5	Adjust the Amount of CWIP in Rate Base	-	-	558,199	-	-	-	-	558,199		
6	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-		
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-		
8	Eliminate SFAS 109	-	-	-	(200,825)	-	-	200,825	-		
9	Adjust Fuel Stock	-	-	-	-	-	-	-	-		
10	Eliminate DSM, EE, DSDR impacts	(215,915)	43,430	-	(195,042)	-	(11,402)	-	(11,402)		
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	124,659	(242,869)		
12	Eliminate Program Performance Incentives	-	-	-	-	-	-	-	-		
13	TOTAL - ALL PRO FORMAS	\$ 177,874	\$ (5,757)	\$ 558,199	\$ (395,867)	\$ -	\$ (11,402)	\$ 325,484	\$ 648,531		

Duke Energy Progress
Electric Accounting & Pro Forma Adjustments - SC Retail Electric
 12 Months Ended March 31, 2015
 Dollars in Thousands

Adj. No.	Description	Revenues	O&M Expenses Fuel	O&M Expenses Purch Power	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Investment Tax Credit	Income Taxes @	Operating Income
1	Normalise O&M Labor Costs	\$ -	\$ -	\$ -	\$ 970	\$ -	\$ -	\$ -	\$ -	\$ (371)	\$ (599)
2	Update for increased/decreased benefits costs	-	-	-	175	-	-	-	-	(67)	(108)
3	Annualize depreciation on year end plant balances	-	-	-	-	4,605	-	-	-	(1,761)	(2,844)
4	Adjust the amount of EPS in rate base	-	-	-	-	1,056	-	-	-	(404)	(652)
5	Adjust the Amount of CWIP in Rate Base	-	-	-	-	-	-	-	-	-	-
6	Annualize property taxes on year end plant balances	-	-	-	-	-	240	-	-	(92)	(148)
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-	653	(653)
8	Eliminate SFAS 109	-	-	-	-	-	-	-	-	-	-
9	Adjust Fuel Stock	-	-	-	-	-	-	-	-	-	-
10	Eliminate DSM, EE, DSOR impacts	(19,569)	-	-	(11,013)	2,654	(419)	-	-	(4,127)	(6,863)
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-	40	(40)
12	Eliminate Program Performance Incentives	(1,674)	-	-	-	-	-	-	-	(621)	(1,003)
13	TOTAL - ALL PRO FORMAS	\$ (21,192)	\$ -	\$ -	\$ (9,858)	\$ 8,315	\$ (179)	\$ -	\$ -	\$ (6,751)	\$ (12,710)
Adj. No.	Description	Plant In Service	Accum. Deprec	CWIP	Other Rate Base	Total Working Capital	Materials & Supplies	ADIT	Rate Base		
1	Normalise O&M Labor Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2	Update for increased/decreased benefits costs	-	-	-	-	-	-	-	-		
3	Annualize depreciation on year end plant balances	-	(4,605)	-	-	-	-	-	(4,605)		
4	Adjust the amount of EPS in rate base	45,326	(1,056)	-	-	-	-	-	44,268		
5	Adjust the Amount of CWIP in Rate Base	-	-	64,247	-	-	-	-	64,247		
6	Annualize property taxes on year end plant balances	-	-	-	-	-	-	-	-		
7	Eliminate prior period taxes	-	-	-	-	-	-	-	-		
8	Eliminate SFAS 109	-	-	-	(23,114)	-	-	22,646	(468)		
9	Adjust Fuel Stock	-	-	-	-	-	(1,269)	-	(1,269)		
10	Eliminate DSM, EE, DSOR impacts	(10,919)	6,223	-	(26,885)	-	-	17,455	(34,126)		
11	Adjust income taxes to synchronize interest expense for the adjusted test period rate base	-	-	-	-	-	-	-	-		
12	Eliminate Program Performance Incentives	-	-	-	-	-	-	-	-		
13	TOTAL - ALL PRO FORMAS	\$ 14,405	\$ 562	\$ 64,247	\$ (49,999)	\$ -	\$ (1,269)	\$ 40,101	\$ 68,046		

Duke Energy Progress
Statement of Fixed Assets - Electric
12 Months Ended March 31, 2015
Dollars in Thousands

Line No.	Description (Col 1)	Total Company		SC Retail	
		Per Books (Col 2)	Adjustments (Col 3)	At Adjusted (Col 4)	At Adjusted (Col 5)
		\$	\$	\$	\$
Gross Plant in Service					
1	Production	\$ 12,052,683	\$ 367,424	\$ 12,420,107	\$ 1,408,671
2	Transmission	2,303,079	16,005	2,319,084	262,936
3	Distribution	5,406,649	(206,949)	5,199,700	583,051
4	General	645,390	1,394	646,784	73,327
5	Intangible Plant	317,495	-	317,495	35,994
6	Common	-	-	-	-
7	Subtotal	\$ 20,715,296	\$ 177,874	\$ 20,893,170	\$ 2,363,979
8	Plant Held for Future Use	27,930	-	27,930	3,215
9	Total Gross Plant in Service	\$ 20,743,226	\$ 177,874	\$ 20,921,100	\$ 2,367,191
Construction Work in Progress					
10	Production	\$ -	\$ 432,279	\$ 432,279	\$ 49,754
11	Transmission	-	85,719	85,279	9,815
12	Distribution	-	38,104	38,104	4,386
13	General	-	(2,878)	(2,878)	(191)
14	Intangible	-	5,415	5,415	623
15	Total Construction Work in Progress	\$ -	\$ 548,199	\$ 548,199	\$ 64,247

Duke Energy Progress
Reserve for Depreciation - Electric
12 Months Ended March 31, 2015
Dollars in Thousands

Line No.	Description (Col 1)	Total Company		SC Retail	
		Per Books (Col 2)	Adjustments (Col 3)	Adjustments (Col 6)	As Adjusted (Col 7)
		\$	\$	\$	\$
1	Production	\$ (5,563,786)	\$ (43,585)	\$ (5,016)	\$ (658,949)
2	Transmission	(750,998)	(929)	(107)	(85,759)
3	Distribution	(2,744,162)	39,253	5,742	(307,267)
4	General	(269,723)	(497)	(57)	(30,873)
5	Intangible Plant	(221,155)	-	-	(75,276)
6	Common	-	-	-	-
7	Subtotal	\$ (9,549,824)	\$ (5,757)	\$ 562	\$ (1,108,033)
8	Total Reserve for Depreciation	\$ (9,549,824)	\$ (5,757)	\$ 562	\$ (1,108,033)

Duke Energy Progress
Other Rate Base - Electric
12 Months Ended March 31, 2015
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company		SC Retail	
		Per Books (Col. 2)	Adjustments (Col. 3)	Per Books (Col. 5)	Adjustments (Col. 6)
		\$	\$	\$	\$
1	Accumulated Provision for Pensions & Benefits	\$ (261,341)	\$ -	\$ (29,408)	\$ -
2	Accumulated Miscellaneous Operating Provisions	132,787	-	14,942	-
3	Unamortized Debt Expense	42,643	-	4,908	-
4	SFAS 109	200,825	(200,825)	23,114	(23,114)
5	SFAS 158 Pension	297,194	-	33,467	-
6	REPS Deferral	(69,993)	-	-	-
7	End of Life Reserves	(14,795)	-	-	-
8	GridSouth Deferral	3,676	-	3,676	-
9	PSNC Pipeline Deferral	600	-	64	-
10	NCDT Overfund - SC	(3,761)	-	(3,761)	-
11	Emission Allowance Proceeds	(8,052)	-	-	-
12	Design Basis	14,389	-	1,534	-
13	Customer Advances for Construction	(8,514)	-	(1,120)	-
14	DSM	195,042	(195,042)	26,885	(26,885)
15	SC Pollution Control Deferral	30,019	-	30,019	-
16	DOE Refund	(8,709)	-	-	-
17	Sale of Harms Land Deferral	(4,875)	-	-	-
18	Rate Case Costs	1,886	-	-	-
19	Coal Inventory Rider	231	-	-	-
20	Fukushima SC Deferral	3,245	-	3,245	-
21	COR Settlement	20,000	-	-	-
22	NC Tax Rate Change	(75,850)	-	(23,474)	-
23	Pole Attach - Deferred Revenue	(2,428)	-	(259)	-
24	Storm Deferral	14,713	-	14,713	-
25	Other Investments	522	-	60	-
26	Misc Special Deposits	515	-	59	-
27	Total Other Rate Base	\$ 499,969	\$ (395,867)	\$ 98,666	\$ (49,999)
					\$ 48,667

Duke Energy Progress
Total Working Capital - Electric
12 Months Ended March 31, 2015
Dollars in Thousands

Line No.	Description (Col. 1)	Total Company		SC Retail	
		Per Books (Col. 2)	Adjustments (Col. 3)	Adjustments (Col. 6)	As Adjusted (Col. 7)
		\$	\$	\$	\$
1	Twelve Month O&M Expenses	\$ 3,100,891			\$ 342,149
2	Working Cash (1/8 of O&M Expenses on Line 1)	387,611			42,769
3	Accrued Utility Revenue	92,962			12,535
4	Prepayments	43,389			4,906
5	Total Investor Advanced Funds	\$ 523,962	\$ -	\$ -	\$ 60,210
6	Customer Deposits	(137,386)	-	(20,135)	(20,135)
7	Average Tax Accruals	(63,601)	-	(7,191)	(7,191)
8	Nuclear Refueling	-	-	-	-
9	Injuries and Damages	(6,365)	-	(716)	(716)
10	Total Working Capital	\$ 316,610	\$ -	\$ -	\$ 32,168

Duke Energy Progress
Cost of Capital - Electric Operations
12 Months Ended March 31, 2015
Dollars in Thousands

Line No.	Description	Per Books					As Adjusted					Operating Income (Col. 12)	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)		Weighted Cost/Return (Col. 11)
1	Long Term Debt	\$ 5,811,610	47.80%	\$ 5,081,736	4.22%	2.02%	\$ 214,450	\$ 5,811,610	47.80%	\$ 5,391,754	4.22%	2.02%	\$ 227,537
2	Preferred Stock		0.00%		0.00%	0.00%			0.00%		0.00%	0.00%	
3	Common Equity	6,346,425	52.20%	5,549,533	8.84%	4.61%	490,582	6,346,425	52.20%	5,888,066	6.62%	3.46%	389,793
4	Total	\$ 12,158,035	100.00%	\$ 10,631,269			\$ 705,032	\$ 12,158,035	100.00%	\$ 11,279,820			\$ 617,325

Line No.	Description	Per Books					As Adjusted					Operating Income (Col. 12)	
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/Return (Col. 4)	Weighted Cost/Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/Return (Col. 10)		Weighted Cost/Return (Col. 11)
5	Long Term Debt	\$ 5,811,610	47.80%	\$ 5,793,319	4.22%	2.02%	\$ 24,447	\$ 5,811,610	47.80%	\$ 611,845	4.22%	2.02%	\$ 25,820
6	Preferred Stock	-	0.00%	-	0.00%	0.00%	-	-	0.00%	-	0.00%	0.00%	47,498
7	Common Equity	6,346,425	52.20%	632,646	9.74%	5.08%	61,608	6,346,425	52.20%	668,166	7.11%	3.71%	\$ 73,318
8	Total	\$ 12,158,035	100.00%	\$ 1,211,965			\$ 86,055	\$ 12,158,035	100.00%	\$ 1,280,011			

(A) Long Term Debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt Expense, Discounts and Premiums

(B) Includes net of tax merger costs to achieve of approximately \$3 million